



The Bottom  
Line

# Welcome To Cattle Feeding Country

## **Risk.**

It's an inherent part of the cattle business and always has been. But you needn't go it alone. While risk factors will never be eliminated completely, veteran cattle feeders say risk can be managed by the cattleman who does his homework, lays his plans carefully and makes the right management decisions at the right time.

That's why veteran cattle feeders choose to feed their cattle in Texas, Oklahoma and New Mexico — and with feedyards that are members of the Texas Cattle Feeders Association (TCFA). They know the region's mild climate, ample grain supplies, plentiful fed cattle markets and seasoned managers offer that little extra hedge.

Those advantages have accrued to a lot of people. Last year, the TCFA area produced about 7 million fed cattle — 30% of the nation's fed cattle supply.

During the late 1960s and early 1970s, the young dynamos who were building the commercial cattle feeding industry could have picked any region of the U.S. They chose Cattle Feeding Country of Texas, Oklahoma and New Mexico for some simple and timeless reasons:

## **Availability of Feeder Cattle**

Texas, Oklahoma and New Mexico have always been cattle country — and the region has always produced top quality feeder cattle. Abundant winter wheat pastures provide year-round grazing, ensuring a consistent, reliable supply of feeder cattle. Because of the strong demand, calves from many other regions of the nation are shipped to Cattle Feeding Country. For the person so inclined, a grazing program can be a convenient way to cheapen cattle back before they go on feed.

## **Plentiful Feed Supplies**

TCFA Cattle Feeding Country ranks among the most productive agricultural regions in the world. Locally-produced grain gives feedyards a foundation supply upon which they can depend. But, because of the strong demand for feeds, feedyards use unit trains to supplement local supplies. With the competitive freight rates available to feedyards in the TCFA area, the cost of grain shipped on unit trains allows feedyards in Texas, Oklahoma and New Mexico to keep ration costs competitive.

## **Climate**

Snuggled between regions that are too hot, too cold, too wet and too dry, the TCFA three-state area offers a near-ideal year-round feeding climate. Steady winds and reliable sunshine make for



moderate winter conditions. Those same breezes provide a natural cooling effect in the summer. And a dry climate with low precipitation means humidity is low. In fact, the weather is one of the reasons that, year-round, cattle grow a little more efficiently in TCFA Cattle Feeding Country.

### **Other Factors**

Cattle, grain and weather are the fundamental reasons that cattle feeding came to the TCFA area — and a big reason why the industry has grown and prospered in Texas, Oklahoma and New Mexico. From there, it has been a matter of success breeding success and the final set of factors that make TCFA Cattle Feeding Country the logical place to feed cattle do not rely on the environment or geography, but on the development within cattle feeding itself.

### **People**

The people who make up the feeding industry in TCFA Country are perhaps the best to be found anywhere. Feedyard managers, consulting veterinarians and nutritionists, risk management specialists, cowboys, animal

scientists — the best of the best have gravitated to the area.

The concentration of fed cattle has allowed a large support industry to develop as well. Trucking, experienced millwrights, manure disposal, animal health suppliers and others all allow feedyards to keep overhead costs reasonable.

Through the years, all these people have become seasoned professionals — as individuals working their specialty with thousands, even millions of cattle. Very few places in the world can one find such an accumulation of talent, knowledge and experience. In Texas, Oklahoma and New Mexico, the feeder doesn't have to take a chance with unproven management. He works with people who have the one ingredient that can really move the odds in his favor — experience.

### **Market**

All three major packers have extensive, state-of-the-science facilities in the TCFA three-state region. Buyers from major packers, plus a myriad of others, provide a steady market for fed cattle. That's one reason the TCFA area has long been regarded as one of the best markets in the U.S.

TCFA Member Feedyards have another competitive advantage—M-Net. This is a two-way satellite communication system that keeps feedyards abreast of the latest moves in the market. With M-Net tied into TCFA's nationally respected market department, cattle feeders can rest assured that they will sell their cattle for all that the market offers.

### **Financing**

In Texas, Oklahoma and New Mexico, bankers and other financial institutions understand cattle feeding. They've seen it done right for a long time and they recognize that cattle feeding is a sound investment. With the chance to make a strong return on investment, ag bankers from coast to coast now consider cattle feeding as one of the best ag loans they can make.

### **Low Energy Costs, Taxes**

Before a feedyard can offer competitive costs of gain, it has to keep overhead costs in line. One of the biggest cost savers in TCFA Cattle Feeding Country is low energy costs. Both natural gas and electricity rates are very competitive.

What's more, cattle feeders in Texas enjoy a competitive tax rate. This business-friendly environment helps cattlemen get the most money they can out of their cattle feeding investment.

### **What it all Means**

These factors help improve the odds year in and year out. In fact, the combination of factors that make TCFA Cattle Feeding Country so appealing can directly affect the bottom line — in a very positive fashion. Information in this booklet further explains many of the factors mentioned here. You'll gain a little more insight into why so many cattle feeders think the Texas, Oklahoma and New Mexico area — Cattle Feeding Country — is the best place to feed cattle.